SENATE BILL 2353 By Atchley

AN ACT to amend Tennessee Code Annotated, Section 68-11-310, relative to the reporting of community benefits by hospitals, to define "community benefits" as being donations, education related costs, government sponsored subsidized health care, research related costs, hospital subsidized health care and uncompensated care.

WHEREAS, in exchange for the privileges and benefits bestowed to licensed hospitals in this state, hospitals have a responsibility to meet the needs of the communities they serve; and

WHEREAS, both community-owned and investor-owned hospitals share a corporate responsibility, heightened by their missions of providing an essential service, to do all they can to improve and maintain the health status of members of the communities that sustain them; and

WHEREAS, the communities served by hospitals should be able to ascertain the level of community benefits being provided by the hospitals, which will demonstrate hospitals' allocation of resources to address community health care needs; and

WHEREAS, the general assembly finds and declares that it is the intent of the general assembly to provide a single uniform procedure for the annual reporting of community benefits provided by hospitals, which will hold hospitals publicly accountable for the level of community benefits they provide; now, therefore,

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 68-11-310(a), is amended by deleting the subsection in its entirety and by substituting instead the following:

- (a) All hospitals shall make and submit to the department of health a report annually, which shall include all statistical particulars relative to the patients therein, and all other information specified in this act.
- SECTION 2. Tennessee Code Annotated, Section 68-11-310, is further amended by adding new, appropriately numbered subsections to read as follows:
 - (). Every hospital (as defined in Tennessee Code Annotated, Section 68-11-201, shall include in the report required by subsection (a), a community benefits report which shall include the information called for in this act.
 - (). As used in this act, unless the context otherwise requires:
 - (1) "Community benefits" are those services provided or supported by a hospital and/or its hospital foundation for the purpose of improving or sustaining the mental, social or physical well-being and/or education of the public or an indefinite number of persons. Categories of community benefits include: donations, education-related costs, government-sponsored subsidized health care, research related costs, hospital-subsidized health care and all uncompensated care as defined in Tennessee Code Annotated, Section 68-1-109;
 - (2) "Donations" means the unreimbursed costs of providing cash and inkind services and gifts, including facilities, equipment, personnel and programs to not-for-profit or public organizations;
 - (3) "Education-related costs" means the unreimbursed costs to a hospital of providing, funding or otherwise financially supporting educational benefits, services and programs including:
 - (A) education of physicians, nurses, technicians and other medical professional and health care providers;
 - (B) provision of scholarships and funding to medical schools, colleges and universities for health professionals' education;

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- (C) education of patients concerning diseases and home care in response to community needs; and
- (D) community health education through informational programs, publications and outreach activities in response to community needs;
- (4) "Government-sponsored subsidized health care" means the cost of providing health care by a hospital after all reimbursement for such care is received from Medicare, Medicaid, TennCare and other federal, state or local health care programs;
- (5) "Hospital-subsidized health care" means the cost of health care not considered government-subsidized health care that:
 - (A) is provided by a hospital, in response to community needs, for which the reimbursement, excluding any discounts, is less than the hospital's cost for providing the care; and
 - (B) must be subsidized by other hospital or hospital foundation revenues or resources;

Hospital-subsidized health care may include: emergency and trauma care; neonatal intensive care; free-standing community clinics; and collaborative efforts with local government or private agencies in preventative medicine, such as immunization programs;

- (6) "Hospital foundation" means a not-for-profit entity that is created by the reporting hospital to further the charitable purposes of the hospital and that is under the direct ownership and control of the hospital;
- (7) "Reimbursement" means any direct payment of funds made to a hospital in exchange for care or services provided;
- (8) "Research-related costs" means the cost incurred, or expenditures made, for the scholarly or scientific investigation, inquiry or search for knowledge concerning health-related or other matters which may directly or indirectly

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improve the health status or well-being of members of the community, or mankind at large; and

- (9) "Unreimbursed" means the cost of any service, care or activity which is not reimbursed, as defined herein.
- () Hospitals shall include in the community benefits annual report:
- (1) An organizational mission statement that identifies the hospital's commitment to serving the health care needs of the community;
 - (2) Identification of the community needs the hospital has targeted which:
 - (A) Sets out goals and objectives for providing community benefits;
 - (B) Measures impact of providing targeted community benefits; and
 - (C) Identifies the populations and communities targeted to receive community benefits by the hospital; and
- (3) Disclosure of the amount and types of community benefits actually provided in Tennessee. Hospitals in the same system or chain shall not duplicate the reporting of community benefits.
- (). Each hospital shall prepare a notice to the public that the community benefits annual report is:
 - (1) Public information;
 - (2) Filed with the department of health; and
 - (3) Available to the public on request from the department of health.

The notice required by this section shall be posted in a prominent place in the hospital.

SECTION 3. If any provision of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to that end the provisions of this act are declared to be severable.

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SECTION 4. This act shall take effect upon becoming a law, the public welfare requiring it.

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